

## **MEETING MINUTES**

### **February 16, 2006**

#### **GOVERNOR'S COMMITTEE FOR THE PURCHASE OF COMMODITIES AND SERVICES FROM THE HANDICAPPED**

The meeting was called to order by Chairperson Penney Hall at 10:00 a.m. February 16, 2006 at the F. Ray Power Building, located at the West Virginia Division of Rehabilitation Services' office in Institute, West Virginia.

#### **ATTENDANCE:**

Committee: Penney Hall (Chairperson); Brenda Morford; Pete Cuffaro; John Liller; Everette Sullivan; Jan Smith; Evan Williams (Executive Secretary); Carol Jarrett, Recording Secretary.

WVARF Staff: Glenn McEndree; Chris Miller; Craig Greening and Ken Kennedy.

Public Attendance: Tim Morris, President of WVARF Association;  
Mike Turner, Executive Director, Pace Tec, Inc.

All committee members were in attendance except for Evan Williams, Executive Secretary.

Chairperson, Ms. Hall, called the meeting to order. The first order of business was approval of minutes.

#### **MOTION #1**

**Mr. Sullivan moved to approve the minutes as presented. Ms. Morford seconded. Motion passed.**

Chairperson Hall reported she had met with Mr. McEndree and Mr. Morris earlier in the month to discuss a number of issues of concern to the Committee.

Chairperson Hall reported letters were sent to Secretary Ferguson, the congressional leadership, Mrs. Janice Holland, and Ms. Donna Lipscomb as requested by the Committee. The letters were included in member's packets.

Chairperson Hall reported Congressman Rahall's office responded to the letter sent to him regarding the Division Rehabilitation Services (DRS) budget. His office wanted to ensure the Committee knew the budget had passed and wanted to make sure DRS had received their allotment of allocations. Ms. Hall reported she had checked with Ms. Debra Lovely, acting director of DRS, and DRS had received their allotment of federal funds.

Ms. Hall talked about a research project she will be proposing to the Committee. This is being done in conjunction with her work toward a Masters Degree in Public Administration. The project will look at how people with disabilities are benefiting from the State Use Program and how satisfied state customers are with the services and commodities they receive through the Program.

#### **EXECUTIVE SECRETARY REPORT:**

\$2,290.01 - FY06 annual allocation;  
300.00 - Outstanding unpaid expenses, travel, hospitality & accounting fees;  
359.14 - Expenses paid-to-date;  
\$1,630.87 - Unencumbered balance.

#### **REPORT OF THE STATE USE PROGRAM CONFERENCE**

Mr. Liller reported the State Use Conference had reinforced everything he had been reading about this program for the last four months. He reported people in other states have a great deal of respect for the West Virginia program. He reported people in other states have great ideas and perhaps there are areas WV can develop.

Mr. McEndree passed out a handout from the conference which was information on a survey of all State Use Programs. West Virginia was recognized as having the third largest increase in wages earned by persons with disabilities in 2005. He said he compared West Virginia against other states programs. In WV the CNA has an average of one employee per \$1.4 million in sales. In wages and salaries, WV doubles the average number for the sales volume.

Mr. Kennedy reported one of the interesting things in Wisconsin is that they have a full time person working in the state office, paid by the state. In this particular case she had her ear to the grindstone listening to CRPs and to the state's interest in going into Mexico to develop economic ties. Because of her presence one of the CRP directors was selected to go with the Governor to Mexico to study exporting coffee beans into Wisconsin where they would be bagged and sold. He also reported a lot of the states were talking about quality assurance to the point where Pennsylvania is under a compliance order now to do certain things and meet certain standards. Texas is in the same boat with some of their contracts with regards to rest areas. Tennessee has a full time inspector that inspects rest areas. New York has legislative approval to study how private businesses and CRPs can work together.

Mr., Liller reported that one state is changing oil in state vehicles. He said he has a couple of contacts that, maybe down the road if somebody wants to look into doing that, WVARF can talk to. Mr. Kennedy said WVARF had looked at doing this at one time and basically it puts people to work, although it doesn't bring in a lot of money. Chairperson Hall said it might be a good thing to explore, particularly with political subdivisions, counties, and cities. Mr. Cuffaro said the Division of Highways (DOH) is busy with mechanical problems and most of those employees do not want to wash a vehicle. This is something we need to pursue to put some people to work.

## **REPORT OF CENTRAL NONPROFIT AGENCY:**

Mr. McEndree reported WVARF had completed the document destruction feasibility study and it appears there is not enough business to do on a statewide basis. Recommendation was that each site could do it individually.

He said WVARF was still looking at doing an ad campaign but are not sure when. They would like to have Governor Manchin appear in the ad.

Mr. McEndree reported they are working with Terradon Software. Plans are to have Terradon attend one of the Governor's Committee meetings to do a presentation of the software they have developed.

He reported that WVARF staff, particularly Mr. Kennedy and Mr. Greening, has been doing site visits both for quality assurance and desk top audits.

He reported that WVARF has been following the purchasing bill. The code the legislature is looking at is the code which mandates the state to purchase from workshops without competitive bid. He said every legislator he had talked to is aware of the State Use Program and is aware of the workshop in their district. They are very supportive of this program. He said WVARF will be following the bill to make sure nothing adversely affects the program.

## **FINANCIAL REPORT:**

Mr. Miller reported year-to-date sales - \$5.3 million dollars fiscal year 2006 year-to-date \$5,320,885. That is a half year, if you annualize that \$10.6 million – just a little bit of an increase in sales this year. Aged receivables as of January 31<sup>st</sup> the over 60 days was \$336,632 – 22% of total receivables.

Chairperson Hall said she and Mr. Miller had talked about the over 60 day accounts receivables. Her suggestion was that once an account reaches a certain point, 60 or 90 days past due, a letter would automatically go to the offending agency from the Committee explaining the consequences to the CRPs for not paying on time. Mr. Miller suggested starting with over 90 days because it would be more manageable.

Mr. Liller suggested that at the end of 30 or 60 days an email be sent to the CRPs to make sure they are aware of it. This way the CRPs could work with the person with whom they have a relationship to see about payment. Mr. Cuffaro cautioned that he did not want to hurt a CRPs working relationship with the vendor. Ms. Smith agreed with Mr. Liller and said it would be up to the CRP whether or not they made the call to the vendor.

After much discussion the Committee agreed a letter would be included with the third statement WVARF sends out which is when an account is 105 days old. The letter will go to the contact person, the cabinet secretary and head of that department. Mr. Miller will draft the letter for Committee approval at the next meeting.

## **OLD BUSINESS:**

Chairperson Hall talked about the audit report from Mr. Mullins which was presented at the last meeting. At the request of the Committee Ms. Hall reported on the meeting she had with Mr. McEndree and Mr. Morris. She said there is a perception of a conflict of interest regarding the program since the CNA and the Association is one and the same. The WVARF board hires Mr. McEndree whose staff is then responsible for awarding contracts, the question then becomes if Mr. McEndree does not give the contract to a certain CRP is his job in jeopardy? There are a couple of steps we are taking to help overcome this problem. First, WVARF is considering including non CRP members on their board. These individuals will be professional people such as a banker, lawyer, accountant, and some business owners. Mr. Liller suggested having the board which would include non CRP members and a few active association members to deal with business matters and then have an advisory board which could include the less active members. Members of the board will be chosen through an open nominations process where people are nominated by board members as well as other entities such as the Governor's Committee or the Governor's office.

Second, a contract committee will be put together. Although there is a contract policy in place, Chairperson Hall stated, she felt there needed to be some extra set of eyes and scrutiny before a contract is allocated to a specific CRP. This will also put a buffer between WVARF staff and CRPs. After a lot of discussion, it was agreed a mechanism would be developed so the Governor's Committee members could evaluate the contract and make the determination of which CRP is to receive it. In time sensitive cases e-mail will be used, otherwise it will be handled at the regular committee meetings.

## **MOTION #2**

**Mr. Sullivan made a motion that WVARF will provide to the committee objective data related to contract assignment for the committee to make an informed decision on how contracts are assigned. Ms. Smith seconded. Motion passed.**

Chairperson Hall said there has been a lot of discussion of who do the CNA funds belong to and there was the question that since WVARF has never been contracted with in a formal contracting procedure to serve as the CNA that really the money belongs to the state per se. She stated she had gone back to the law and read the law again and read the rules several times and the law clearly gives the Division of Rehabilitation Services the authority to appoint the CNA. It doesn't say they have to contract it out; it does put some limits on who it can be. It has to be a non profit organization and cannot be a workshop. Ms. Smith added that board members do not stand to gain anything financially, because they too are non profits. She said she believed the money belongs to WVARF and the finances need to remain with WVARF as the CNA.

Mr. Liller stated he had been through this so many times and his conclusion has been that from day one money raised by them is theirs. They were given permission to operate the business to get extra money and WVARF did it. What they buy with that money, what they do with it is their decision. As a committee member my main concern is that the CRPs are receiving the funds they need to fulfill their contract with the State. For example, if a CRP gets a contract with

the state for \$1,000 a month, than my concern is that the \$1,000 a month coming from the state goes all the way through WVARF to me. Whatever fees that WVARF gets I don't care, as a committee member or as a CRP. What they do with that money is their money. Mr. Cuffaro and Mr. Sullivan both agreed with Mr. Liller.

### **MOTION #3**

**Mr. Cuffaro made a motion a letter be sent to the Governor with a copy to Secretary Ferguson stating the committee is in agreement that the money generated by WVARF belongs to WVARF and settle this matter in relationship to this audit report. Mr. Liller seconded. Motion passed.**

Chairperson Hall said in the letter she would like to outline some of the things we have talked about today as far as the contract committee and WVARF looking at their board. Ms. Morford agreed this would be a good idea.

### **MOTION #4**

**Mr. Cuffaro, moved to amend his original motion to include points made by Ms. Morford and Ms. Hall. Mr. Liller seconded. Motion passed.**

### **MOTION #5**

**Mr. Cuffaro, made a motion to send a letter to the WVARF board thanking them for their willingness to work with us on this situation. Mr. Sullivan seconded. Motion passed.**

Chairperson Hall than talked about the establishment of a Fair Market Price (FMP) sub-committee. She stated she did not believe WVARF or the Committee was doing anything wrong in how they were establishing the fair market price but there is a lot more data easily available today than there was 17 years ago when this program first started. There may be a better method of coming up with the FMP so there is no question in anyone's mind of how that FMP is reached. She said she would like a couple of volunteers from the Committee to serve on the sub-committee. The sub-committee will also include someone from the Purchasing Division and a couple of CRP members. She said she had already approached Mr. Liller to ask him to serve and he agreed. Mr. Cuffaro recommended Mr. Sullivan and he agreed to serve. Ms. Smith and Chairperson Hall both volunteered to serve on the sub-committee.

### **OLD BUSINESS:**

Chairperson Hall asked that at the leave of the Committee the agenda item dealing with the 2007 budget be moved up on the agenda. Hearing no objections the committee took up this item for discussion.

Mr. Miller said the newest procedural rule says the Governor's Committee will approve the budget and will be taken up in the May meeting for the next upcoming year. He said WVARF's goal was always to bring to the committee a draft of the budget in November of the proceeding

year. He said technically, in November or at the latest in December, is when we should have brought to the committee a picture of what we think the best estimate of the next year coming up is going to look like. That didn't happen in this particular case for a variety of reasons partially because of some of the issues this Committee has been dealing with regarding CNA funds. He said what WVARF is putting on the table today is not so much the final budget that we are proposing for next year, but what we want to bring to you today is information so that you can guide us with what the fee will be for the upcoming budget year. What I am presenting to you is a budget at 3.75% which is our current fee. What happened last year was we presented a balanced budget at 4.1% and the Governor's Committee approved a balanced budget at 4.1%. We processed contracts with that 4.1% and subsequently in August, primarily through the Cabinet Secretary, Mr. Ferguson, that fee was declined and that fee dropped back to 3.75% which in essence we started out the year with a substantial hole in our budget to the tune of about \$45,000. Subsequently we have lost about \$800,000 in business with Workers' Compensation with data entry, which gave us another significant hit in our budget. We incurred interest cost that we didn't anticipate and if we project that out and price that into the budget that will be an additional cut in our budget for the upcoming year.

Additionally, we purchased some software which we are in the process of purchasing installation of that data management. We capitalize that as an asset because it is considered intellectual property. Intellectual property is to be depreciated over 15 years. That will be an additional \$10,000 expense for our budget. What I am leading up to, these are some of the larger items that lead us to what we are projecting at 3.75% for the next coming year is \$134,000 deficit. Based on this information what would it take to balance our budget, what fee would be involved? We ran various scenarios and I have a few that I brought to pass out. To balance the budget the fee needs to be increased to 5.1%.

## **MOTION #6**

**Mr. Sullivan made a motion to raise the CNA fee to 5.1%. Mr. Liller second. Discussion was called for.**

Mr. Liller said his first question is given things as they are right now, what percentage of business you are planning on increasing. How much increase sales are you projecting to have this year? I'm assuming that is not in this proposed budget. Mr. Miller responded an increase of \$150,000 in sales is projected in the budget. Mr. Liller said he saw the \$150,000 but of that \$150,000, if you take the same exact numbers as you had this past year and to balance your budget without any projected sales increase, what rate percent would you have? Your numbers you are using here to increase to 5.1% increase. You have already tied in a projected increase of \$150,000. If you did not have that \$150,000 increase in sales what is the percentage rate increase? What would the fee need to be? What we need to do is see if you had a flat year, nothing happened whatsoever and everything stayed the same, what kind of percentage are you looking at there? Mr. Miller said it would be around 5.3%.

Mr. McEndree said we lost \$800,000 last year so it was hard to make that up. Mr. Miller looked at five months of data and annualized it. I use an example of TEMP services, he did that and came up with a number and that comes in highs and lows during certain times of year when we are busier with temps. So we looked at the previous 12 months to try to get a pattern and we looked at it a number of different ways and you never know what you are going to increase in

sales. Mr. Liller said that's one reason I'm asking. You are building a percentage here off of computation projections that you don't know you are going to have. My question is what would that rate need to be to balance your budget with no increase whatsoever? With that, in my opinion, we have a more definite figure that you can work with; the 5.1% is including \$150,000 increase in sales which you don't know that

Ms. Morford said help me understand if last year when you presented the budget and you presented a balanced budget of 4.1%, you are saying that you need to go up to 5.1% because of the \$800,000 loss? Mr. Miller said, part of what was in our projection last year, and the bottom line is that we may have been a little aggressive in our sales projections last year. We projected about \$660,000 in sales last year and that is over what we are experiencing in the current year and that was pretty aggressive I think. What we were doing is basing that on average of sales increases over the last 12 years or something like that. But we didn't really have anything firm to hang our hat on. I think what Mr. Liller is saying you can be too aggressive at \$150,000. And, we could may be at \$150,00 and we could get a million.

Mr. McEndree said the increased cost of doing business increased \$15,000 is interest because the state was behind in payments. If they paid their bills, we won't have to use the line-of-credit and that is going to be less.

Mr. Liller said also part of the money that they came up short last year is when your budget is set up that you are going to get a fee increase and if last year I got \$1000 set up for my budget and I had projected that I was going to have \$1,410 projected in my budget and somebody came back and said NO you're only going to have \$1,375 so now for twelve months I am out that \$75 and I am coming up short in my budget. Not only had to make that money up but they also had to make the money up that this TEMP service contract so now this budget here has to take in all those losses plus all the current expenses that is out there right now. The way they intend to just break even this year is say the fee has to be up to basically 5.2% to just break even to catch up with all their losses that they had because they didn't make that income plus the interest they have anticipated paying out if the state gets behind again. Not only do you have to make the \$12,000 that you should have made last year, but you have to make up \$14,000 an extra \$2,000 to get out of the hole. I can see the significant increase in the fee rate, \$150,000 is not aggressive, but I just want to know what that percentage rate actually would be if you didn't project any increase in sales.

Mr. Cuffaro asked how much state money did WVARF lose last year? Mr. McEndree said the one that stands out is the \$800,000 Workers' Compensation. We had no chance of getting that back, we had no chance to salvage that, but there was nothing we could do. It wasn't that someone out of state is doing it; they just did away with that. Now the providers bill electronically.

Ms. Morford said with state government we are looking at problems. I know that some agencies will pay just what they can pay and drop some of the services. That's a risk that you run into. People like us; we are looking at every dime when you rise to 5.1% the potential is there for reduced business. I feel you need to keep that in mind.

Mr. Greening said I'm speaking of the janitorial contracts. Temp services are going to be set by the other bids that come in and I don't know how we are going to do that one. Literally, potentially, once that price went up significantly we would be taking money away from CRPs to support this fee. 42% of our janitorial contracts are less than 5,000 square feet, only 6% of total sales. Going from 3.75% to 4.1% we have created more paper issues in cost than we have saved the state.

Ms. Morford said that is my caution to you about this much of an increase.

Ms. Smith said I know it will affect our profit and overhead because I understand that WVARF needs a balanced budget, but I am also sitting here thinking that is going to cost us as a CRP. It will be a hit to the CRP. Chairperson Hall asked will it impact your employees, people working on this contract? Ms. Smith said not if I can do anything about it.

Ms. Morford said as a state agency you get a budgeted amount based on last year's budget. I have a budget and my budget is based on last year's budget and normally my budget gets cut from year to year. I am asked to deal with what's in that budget line. If it is \$5,000 or \$3,000 or sometimes \$2,000 can make a huge difference for me.

Mr. Greening said, I think some people will go ok and some people will go absolutely not. With this janitorial contract they basically say we're cutting the contract. The alternative is if there has to be a fee increase what I am asking for is incredibly strong support not just from the committee but also from the Director of Division of Purchasing who also has to concur with that.

Mr. Liller said, let me ask a question, sitting here hearing that budgets based on last year's budget. Explain to me, are you increasing your budget for this year based on last year's budget? And, if so, are you basing it on last year's budget after it was cut or before you cut it. To me, it sounds like I budgeted \$500,000 last year and I'm going to budget another \$500,000 this year. If \$500,000 wasn't good enough for you last year and you got cut, I want to say well, I'm going to need \$650 and I'm going to have to cut it back to \$600. I know this is state government but in a business world I can't base my things upon what I had, \$500,000 last year I can't say \$500,000 this year, I have got to increase it and if I know for a fact that someone is going to come back to me and cut it I am going to present a higher budget. I'm sitting here hearing that budgets are based on last year's budget and it doesn't make good sense to me as a business person. We have no control over that and I understand, but whoever presents this whether it is 1.5% or 4.5% or whatever it may be. The reality to me it is not a reality. We had a surplus last year and we are going to have a surplus this year and you are telling me that you are going to have to take a budget cut when you have a surplus.

Mr. Cuffaro said when I look at these numbers from a business standpoint; I don't want to take a \$130,000 loss vs. \$12,000 income. I say aim high; you know they are going to cut it. You have to try to aim high and hope they don't cut it where it is really going to kill you as \$75,000 loss is better than \$200,000.

Mr. Cuffaro asked what about salaries for the eight staff, How many years has it been since you haven't received an increase in wages? Mr. Miller said raises were given at the end of last fiscal



year which would have been July, 2004. Mr. Morris said WVARF is looking at restructuring job duties. A year ago we did wage survey. Mr. Miller is very under paid for his credentials. We held off on raises due to the cut from 4.1% to 3.75%. Mr. Cuffaro said he is concerned about the staff here. We have a great staff here and I don't want to lose them. Is there money built in there and what is the percentage? Mr. Miller said the consumer price index was 3.2% cost of living increase over a 12-month period.

Chairperson Hall said maybe WVARF staff hasn't gotten a raise for a year and a half. But the fact is state government employees haven't gotten raises. We did get one this year, \$2,500 per employee and that is not your 3.2% raise for most state employees. Even though we got a raise, you can go years without a raise in state government. What I don't want to see happen is for example: DRS budget got cut on the federal level, not because of the fee or anything to do with the fee but they had to cut back on the services. People with disabilities lost their jobs because of that. I don't want to see or risk that happening. I do believe they need an increase in their fee and I want to go on record for that, but I don't want to see happen is the increase in the fee be so dramatic and 1 1/2 % doesn't look that dramatic but it can be, and people with disabilities lose their jobs because state agencies have to cut back on the amount of their services. That is my concern.

Chairperson Hall said, another thing this budget hasn't taken into account simply because there is no way to do that yet is what the Fair Market Price this committee comes up with. It may be such that we are pricing our contracts way too low than what the FMP actually is. We have to say this is how we have arrived at the FMP.

Mr. Sullivan said he thought Mr. Greening was doing an outstanding job in trying to negotiate on behalf of the employees on wages and this report on the national level we are right up there. I really feel badly about trying to say we ought not to increase the percentage because they may not want to pay their people, I think that is a bad thing for us to concede to. I think we ought to go ahead and increase the percentage and if we have a surplus maybe we should think about putting a cap on the surplus. These people who are out there trying to work and make a living, those people that are handicapped; we ought to really try to help them. I just think we are talking about really a small sum of money; I certainly wouldn't want to stand in their way.

Mr. Cuffaro said I'm trying to find a way to generate more income for WVARF outside state government. Where you come up short on this the private sector money will make up for that.

Mr. Liller said, we can present anything to Secretary Ferguson or to anyone who we have to present this to, then they can say yea, nay, give you this or what not. Is that the way it goes? Mr. Greening said the way the rule reads FMP set by this committee contingent on Director of Purchasing based on the fee is part of the FMP. Based on the fee, just as you could talk about wages, supplies, equipment, overhead, profits of CRP, you can talk about the CNA fee as part of the FMP. By legislative rule, the committee subject to accept by the Director of Purchasing is to determine the price of all commodities manufactured and services provided by approved workshops. If the Director of Purchasing wants to pull that all back apart I suppose he could do that. You have accepted it at the FMP. If you go and have a price increase you may have to reveal that part of the price increase, was part of the service fees.

Mr. Liller said, as a business person I would have no problem looking at a loss of \$10,000 - \$15,000 if I could get some assurances that I would not have to do what I did this year and spend \$15,000 in interest payments.

Chairperson Hall asked where you have to pay on the line-of-credit, when you borrowed - the penalty. Is there no way you can recoup that by charging the state interest for not paying their bills on time? Mr. Miller said there is a program where you can charge the state interest, but it is very cumbersome. You can't do anything until you get paid on it and a year down the road, say an agency is real far behind in payment, you can go back and charge them interest, but you have to wait until you receive payment from them, make a copy of the check, a copy of the invoice, and file a claim. It is known as the Prompt Payment Act of 1990. You then send all that off and presumably you get your money back. Chairperson Hall asked did you do that for the \$2 million that was owed to you at the end of last year? Mr. Miller said no we never did, but we should have copies of all those checks.

Mr. McEndree said, we want to be good business partners with the state and we need to cover expenses. Ms. Smith said if someone attempted to change it again, would WVARF fight that? Mr. McEndree said he would pretty much guarantee that.

Mr. Sullivan asked if we do pass this does someone have the authority to veto/change that? Who is going to tell whoever that they don't have any business/authority to change what we voted on? Mr. McEndree said probably this committee.

Ms. Morford asked about raising the fee to 4.75 % how would that affect WVARF's budget? Mr. Miller said the loss would be \$25,000.

Mr. Liller said, at 4.9% we are basically eliminating the interest payment that we would be collecting from them. True? At 4.9% we would be about \$12,000 in the hole? Mr. Miller said that was right.

Mr. Liller said at 4.9% you are basically taking out of your budget \$15,000 that you have allocated for that. So, basically at 4.9% not counting interest payments you are basically at a balanced budget there. In order to break the 5% barrier that everyone seems to be cringing over I would suggest that we look at 4.9%. WVARF is still looking at a "balanced budget."

Ms. Morford asked about the about a cap on surplus. Mr. Liller said the only surplus you are going to have is if they gang busters on sales. That's the only surplus you are going to have.

Mr. Sullivan said there was a lot of comment about us making money and storing it away. I thought that would help to eliminate that problem if we put a cap on it. If we don't have a legal right to do that, forget it.

Ms. Morford asked at 3.75%, how much of a loss did you have for this year. Mr. Miler said about \$37,000 and there are a few expenses that we have not done because we didn't have the money.

### **MOTION#7**

**Mr. Sullivan if everybody is in favor of 4.9% then I would change my motion to raise the fee to 4.9%. Mr. Liller seconded the amended motion. Motion passed.**

### **MOTION#8**

**Mr. Sullivan further amended his motion to include an effective date of March 1, 2006. Mr. Liller seconded the amended motion. Motion passed.**

Next on the agenda was the 2006 Action Plan. The plan had been approved. The Committee agreed it would work on the 2007 Action Plan at the next meeting.

### **CONTRACT COMPLAINTS:**

There were two complaints one on janitorial and the other on bottled water. They were both minor and have been resolved.

### **NEW CONTRACTS:**

Mr. Greening reported on the following contracts:

- 1) Department of Corrections. This is a very unusual facility, in that, it is the only place they actually do not have an inmate work program. As you can see it is two days a week, two hours a day and we will not be in contact with any of the inmates.
- 2) Cabell County Office, DOH office in Barboursville. It is two days a week, 1,300 sq. ft. small office.
- 3) Division of Natural Resources, Law Enforcement in St. Albans. This is a brand new contract and is for one day a week.
- 4) WV University. For a long time we have been having conversations regarding WVU janitorial services. We have looked at seven buildings and basically it is a strange situation that leads us to an unclear situation on this project. Over the last several years have reduced their custodial staff by about half. They are also short about 20%. They are in a situation where they can't get people to apply, when they do hire them they can't keep them on the job. The unemployment rate is so low in that area that the University can't attract people to come to work for them. They have come to us and their approach is still temporary work. They want to give us a building but their goal is to have all University employees do the janitorial work, when they can find the people to do it. What we have proposed and have made financially attractive for them is a mobile crew which would be comprised of four people with disabilities and a supervisor, who may or may not have a disability, is a working supervisor. We are encouraging the mobile crew, but have four or five other options in which to accommodate them. I don't know which option they will chose

Chairperson Hall said, basically what you need us to do is to approve these as they stand with the understanding that one of these scenarios is going to work out.

Mr. Greening said WVU wants to be flexible. So we are offering a menu of prices. We are asking you to approve all of them today. We anticipate the contract will start on March 1.

Mr. Liller just as a point of reference, the reason that Pac Tec has this is because they are the ones that initiated this and have done it. Mr. Greening said this is correct.

- 5) Mr. Greening, the last janitorial contract is the one we talked about last month Workforce Region I in Beckley. Ultimately, they will provide all of the supplies and we will do the work at basically the same price.

Mr. Kennedy presented an issue with the WVARF04 contract as it relates to absorbent products. There are two types of booms a 5" x 10' and an 8" x 10' one. The current price as approved by the committee was \$103.85, and \$171.71. A Department of Environmental Protection representative did some research indicated to Ms. Francisco in the Purchasing Division that prices were a little out of line. DEP says they could get that 5"x 10' boom for \$59 and we are asking them to pay \$103. They could get the 8" x 10' for \$62 and we are charging \$171. Our CRP representative who has this contract went back and did research. After comparing the quality of products we are recommending a new price of \$97.43 for that 5" x 10' boom and \$128.65 for the other 8" x 10'.

#### **MOTION #9**

**Mr. Sullivan moved to approve the contracts as presented. Ms. Smith seconded. Motion passed.**

Mr. Greening reported on the 2<sup>nd</sup> quarter report. There are three CRPs that had less than 75% workers with disabilities, Clay County, normally they have struggled, and they have 72% which is good for them. Preston County 74% and Nicholas County is 68%. They have submitted a plan of correction for the Committees approval.

#### **MOTION #10**

**Mr. Liller moved to accept Nicholas County Plan of Correction. Ms. Smith seconded. Motion passed.**

#### **MOTION#11**

**Mr. Liller moved to adjourn. Ms. Smith seconded. Motion passed.**

**WEST VIRGINIA ASSOCIATION OF  
REHABILITATION FACILITIES**

**LAST SIX MONTHS' GROSS REVENUES**

Jul '05	Aug '05	Sep '05	Oct '05	Nov '05	Dec '05	FY 2006 Year-to-Date	FY 2005 Total *
\$865.966	\$890.662	\$905.468	\$895.961	\$873.351	\$889.477	\$5,320,885	\$10,465,483

**AGED RECEIVABLES AS OF Jan. 31, 2006**

Current	31 -60	61-90	90+ Days	Total
\$763.284	\$388.029	\$228,803	\$107,829	\$1,487,944
		\$336,632		
51.30%	26.08%	15.38%	7.25%	100.00%
		22.63%		

**Comparative Figures (Acc. Rec Over 60):**

	61 +	% of Total
01/31/05	\$353,007	20.11%
01/31/04	\$90,767	7.37%

**Advanced Guaranteed Payments made to CRPs:**

Jul'05 -Jan'06      \$1,827,839

\* - Fiscal Year runs from July 1 - June 30